

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
BEFORE THE IOWA UTILITIES BOARD

IN RE:	
INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. EEP-2012-0001
MIDAMERICAN ENERGY COMPANY	DOCKET NO. EEP-2012-0002
BLACK HILLS/IOWA GAS UTILITY, LLC, d/b/a BLACK HILLS ENERGY	DOCKET NO. EEP-2013-0001

**MOTION FOR APPROVAL AND IMPLEMENTATION OF  
TECHNICAL REFERENCE MANUAL AND UPDATE PROCESS**

In accordance with the final orders issued by the Iowa Utilities Board (“IUB” or “Board”) for the current Energy Efficiency Plans of Interstate Power and Light Company, MidAmerican Energy Company, and Black Hills Energy<sup>1</sup> and on behalf of the parties joining in the Settlement Provisions approved as part of the Energy Efficiency Plans concerning the development of a statewide Technical Reference Manual (“TRM”), the Office of Consumer Advocate (“OCA”), a division of the Iowa Department of Justice, hereby submits this TRM and requests an Order from the Board approving the TRM as well as the proposed Implementation and Update Process contained therein.<sup>2</sup> In support of this Motion, on behalf of the parties, the OCA states:

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<sup>1</sup> *In re: Black Hills/Iowa Gas Utility, LLC, d/b/a Black Hills Energy*, Docket No. EEP-2013-0001, “Order Approving Settlement” (IUB, Dec. 17, 2013); *In re: Interstate Power and Light Company*, Docket No. EEP-2012-0001, “Final Order” (IUB, Dec. 2, 2013); *In re: MidAmerican Energy Company*, Docket No. EEP-2012-0002, “Final Order” (IUB, Dec. 16, 2013).

<sup>2</sup> The Parties on whose behalf this Motion is filed, include: Black Hills Energy, Interstate Power and Light Company, MidAmerican Energy Company, Environmental Law and Policy Center, Iowa Environmental Council, and the Office of Consumer Advocate.

1. In accordance with Iowa law, Iowa public utilities have offered electric and gas energy efficiency programs since the early 1990s. Iowa Code §§ 476.6 (14), 476.6 (16) (c), 476.8 (2015). While the Iowa utilities have developed a variety of technical manuals, processes, and practices, there had not been a significant effort to unify these processes, practices, and manuals prior to 2015. In the Final Orders issued for the current 2014-2018 Energy Efficiency Plans of Interstate Power and Light Company, MidAmerican Energy Company, and Black Hills Energy (collectively the investor owned utilities “IOUs” or “Utilities”), the Board approved portions of the Settlement Agreements submitted in each proceeding in which the utilities agreed to participate in a collaborative process that would engage interested stakeholders in the development of a statewide TRM. In doing so, the Board relied on evidence indicating that the development of standard and defensible protocols for calculating savings, including useful life and baseline assumptions for various energy efficiency offerings, through a statewide TRM would: (1) bring improved precision and more rigorous and frequent review to the deemed savings employed in the statewide assessment of potential; and (2) contribute to reported savings mapping more closely to verified savings and provide structure for program planning and goal setting. (2016 TRM, Vol. I, Sec. 1.3).

2. The Board concluded that a collaborative process to develop and maintain a statewide TRM is a worthwhile endeavor and approved related Settlement Agreement terms for each of the above-referenced Energy Efficiency Plans. The Settlement Agreements called for Utilities and interested stakeholders to form a planning committee to develop a request for proposal for an independent, third-party contractor to be selected through a competitive bidding process. The collaborative process resulted in the selection of Vermont Energy Investment Corporation as the independent, third-party TRM contractor. The term of this contract currently

extends through 2016 and includes automatic renewal for annual TRM updates in 2017 through 2019 for the remaining program years in the current Plan. (2016 TRM, Vol. I, Sec. 1.3). The purposes outlined for the statewide TRM (2016 TRM, Vol. I, Sec. 1) reflect and build upon the expected benefits that the Board relied upon in approving this process.

### **Process for TRM Development**

3. The TRM was developed through a collaborative and inclusive stakeholder process. The TRM Oversight Committee, composed of Iowa utilities, Iowa utility organizations, and interested stakeholders (primarily parties to the TRM settlement terms), is responsible for advancing and fulfilling the TRM settlement terms and overseeing the TRM development. The Oversight Committee designated appropriate individuals to participate on the Technical Advisory Committee and identified relevant information and resources. (2016 TRM, Vol. I, Sec. 2.1, 3.3). The TRM development process sought to rely on the best data available and consider best practices in developing measure characterizations while also prioritizing the work in a manner that focused on establishing highly reliable results for those measures, assumptions, and protocols that are likely to have the greatest impact on energy, savings, and cost-effectiveness for Iowa's energy efficiency programs. (2016 TRM, Vol. I, Sec. 2.2.1).

4. The collaborative process achieved consensus on the characterization of the measures included in this TRM (Version I), which includes most measures promoted in the Utilities' current Energy Efficiency programs. As part of the process for TRM development, the Oversight Committee determined that if consensus cannot be reached on a technical or measure-related issue after reasonable opportunity for discussion and research, the TRM Administrator will propose a resolution for recommendation to and determination by the Oversight Committee. The Oversight Committee was able to resolve non-consensus technical items for this TRM, but it

is possible that technical issues may be presented for Board determination in future TRM updates. Should consensus not be reached by the Oversight Committee in future TRM filings on matters of policy, TRM usage and application, or other non-technical matters, the TRM Administrator will document the issue in a Comparison document that will include the issue and position statements from the parties supporting their approach and rationale. Within two weeks of TRM filings (updates), parties will have an opportunity to respond with their full position on any outstanding issues, their proposed resolutions, and their position on whether a hearing process is needed. If the parties are able to reach consensus on all items, as occurred with this submission, the Board may accept the TRM or update without the need for further action.

### **TRM Implementation**

5. The parties to the Settlement Agreements contemplated that the TRM would be completed in time for use in the Statewide Assessment of Potential for the 2019-2023 energy efficiency plans, specifying the beginning of third quarter 2016 as the targeted completion date. The Settlement Agreements allow flexibility in the implementation of the statewide TRM during the 2014-2018 Plan period. (2016 TRM, Vol. I, Sec. 1.3).

6. Subject to Board approval of the TRM and proposed processes for implementation, the Utilities will make best efforts to reflect the TRM characterizations for high-impact measures in 2017 and 2018 Program Year reporting. Utilities may elect to more fully incorporate TRM measure characterizations for Program Years 2017 and 2018. Utility plans to incorporate TRM high-impact measures for Plan Year 2017 will be indicated in documents presented at each Utility's 2016 Fall Operations Meeting, and will include information on the estimated impact on energy savings from adopting or not adopting TRM assumptions for

individual high-impact measures.<sup>3</sup> A similar process will occur for Plan Year 2018. Subject to consideration of stakeholder feedback, such changes will be reflected in the Utilities' respective January Plan Update filings. Parties will strive to collaboratively resolve differences of opinion, but reserve the right to pursue complaint or modification proceedings concerning the implementation path finally selected by the Utilities for the remaining years of the current 2014-2018 Plan. (2016 TRM, Vol. I, Sec. 3.1, Sec. 4).

7. Subject to Board guidance and approval, the TRM will be fully incorporated into the Utilities Statewide Assessment of Potential, energy efficiency plan development, implementation, and evaluation for the next Energy Efficiency Plan period 2019-2023. The TRM is expected to serve as the primary source documentation for savings values for any measures contained within the TRM for use in the Statewide Assessment of Potential. (2016 TRM Vol. I, Sec. 4).

8. The implementation of the TRM in the Current Plan will not necessarily impact individual Utility plan goals approved for Current Plans. Utilities that implement the TRM for high-impact measures and are able to track separate deemed savings values for individual measures through existing tracking programs will separately report savings impacts for Plan Year 2017 and 2018 based on (a) the measure characterizations approved for the Current Plan and (b) measure characterizations used in the TRM and adopted by the utility. The Utilities will provide sufficient information about changes in TRM values and assumptions to enable evaluation of program performance for Plan Years 2017 and 2018 for parts of the TRM implemented by the Utility in these Plan Years. (2016 TRM, Vol. I, Sec. 3.1)

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<sup>3</sup> High-impact measures are defined as those energy efficiency measures that together contribute to ninety percent of the utilities' Plan impact goals. This includes 40 measures that deliver electric savings and 24 measures that deliver gas savings.

### **TRM Updates**

9. The Iowa Statewide TRM will be revised annually to capture new and updated information. The proposed TRM Update process is aligned with the existing program planning, evaluation, and implementation cycles. The need to update the TRM may be driven by a number of events, including but not limited to:

- Addition of new measure algorithms perceived to be reliable for TRM inclusion
- Impact of code or legislative changes to specific measures
- Introduction of new technologies and technology advancements
- Discovery of errors in existing TRM measure characterizations
- Changes to industry standard practice
- Changes to program designs and measure eligibility criteria
- Improved TRM input values developed through evaluations
- Retirement of measures or applications no longer required

The updated TRM will be delivered to the TRM Oversight Committee by June 30<sup>th</sup> each year for an effective date of the following January. On or about September 30 each year, an authorized representative of the Oversight Committee will file the annual TRM Update with the Board with a proposed effective date of January. Within two weeks of the Annual TRM Update filing, parties will file their position on non-consensus items in the TRM update, proposed resolution of such issue(s), and whether a hearing process is needed. All measures will be reviewed at least once during a 5-year program period. (2016 TRM, Vol. I, Sec. 3.2). This filing schedule should allow sufficient time for resolution of any outstanding issues and incorporation of this information in the Utilities' annual Plan Updates in January.

10. The Oversight Committee may approve TRM revisions outside of the periodic review period in limited circumstances where new information is available that warrants inclusion as soon as possible, such as identifying a significant error or new measure. Utility programs may use these adjustments in reporting on a prospective basis, subject to Board review or plan modification filings that may be necessary or appropriate to address significant measure

changes. Utilities will show the impacts on planning estimates and goals from using revised TRM assumptions in the Fall Operations Reports and January Plan Update filings. The new information will be put into the next TRM update cycle for inclusion in the next formal TRM document update. (2016 TRM, Vol. I, Sec. 3.4).

11. The parties contemplate that the TRM Administrator will track and document all TRM updates, and the Board will be notified of any TRM updates, both routine and adjustments that occur outside of the scheduled TRM update process, through existing reporting processes (the utilities' Annual Energy Efficiency Plan Reports, the September TRM Updates, or the January Plan Updates). (2016 TRM, Vol. I, Sec. 3.5). A primary goal of the TRM is to develop a transparent process for developing and documenting consistent and reliable characterizations of energy efficiency measures. Placing the TRM and its supporting files on the website maintained by the Iowa Utilities Board will advance public and stakeholder access to the TRM and the transparency of the TRM process.<sup>4</sup> The parties welcome the opportunity to respond to any questions the Board may have about the proposed TRM, implementation plan, and update process for the TRM.

WHEREFORE, on behalf of Parties joining in this Motion, the undersigned requests that the Board (1) grant this Motion to approve the proposed consensus TRM, implementation plan, and update process as part of the Utilities' approved energy efficiency Plans; and (2) approve and assist in facilitating the placement of the TRM and subsequent updates on the Iowa Utilities

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<sup>4</sup> While such filings can be accessed through the Board's electronic filing system, energy efficiency stakeholders may find it difficult to access and stay apprised of current TRM information. Accordingly, the parties support placing the TRM and updates on the Board's website.

Board's website so that the TRM is readily accessible to energy efficiency stakeholders on or before January 1, 2017, the proposed effective date for the initial TRM.

Respectfully submitted,

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